

MISCLASSIFICATION TASK FORCE HEARING MINUTES
JULY 10, 2008
MICHIGAN WORKS! SERVICE CENTER
ANCHOR ROOMS A&B
BENTON HARBOR

Task Force Attendees: Lt. Governor Cherry, Keith W. Cooley (chair), Jack Nolish, Craig Orr, Jack Finn, Chris Peretto

Meeting called to order at 2:00 p.m

1. Lt. Governor Cherry made opening remarks on the Interagency Task Force and the effect of Employee Misclassification has on the economy and the workforce.
2. Power Point presentation on the Interagency Task Force on Employee Misclassification.
3. Comments requested from the audience:
Victoria King, Public Affair Manager, UPS: gave testimony on the abuse of the independent contractor model in the small package delivery industry and gave a sample of the industry standards in the delivery sector. UPS respects misclassification enforcement and goes by the rules.

Chad Miller, Michigan Regional Council of Carpenters: read a letter from a Kalamazoo area employer in the construction industry and the effects his business has had from misclassification in that industry. Director Cooley told Chad to take the message back to him; we (task force) take this seriously.

Jim Hahn, Michigan Carpenter Apprenticeship: presented a video on the effects of misclassification on workers injured at a job site that did not have employees as the workers. Jack Nolish made comment on the injured worker and the General Contractor if covered with workers comp, and worker deemed to be an employee, they will be covered under workers compensation.

Dan Eidem: spoke on the IRS form 8919 that allows filing uncollected social security and Medicare tax on wages. SS8 also needs to be filed. IRS can share information on 8919 filing with the states.

Mamie Yarbrough, County Commissioner: thanked the Task Force for coming to Benton Harbor.

Ruthie Yeisley, Region IV Area Agency on Aging: spoke on the Agency on Aging hiring an Independent Contractor, when she knew it should be an employee; however counsel advised them to hire as IC for the 3 months waiting for approval of funds. An SS8 was filed and IRS determined to be employee. Weeks were spent to complete the error. Need to make the economic reality test idiot-proof.

Jack Finn: commented that he is a member of the bar for 28 years and attorneys will do what the client wants.

Ruth: maybe take up with the State Bar.

Dir Cooley: thank you for that, the gray area will be tested.

Mike Doyle, misclassified independent contractor: what are the timelines for a charge going through enforcement to punishment?

Dir Cooley commented

Lt Gov Cherry: enforcement is inconsistent and there is insufficient enforcement. Employees if abused want action.

M Doyle: What info is needed?

J Nolish: information on misclassification is quick, if compliant.

J Finn: payment of wages will look at employee. There are 2 interpretation of employee, W&H and prevailing wage

Lt. Gov Cherry: there is concern whether one has to identify themselves.

J Nolish: there are times they need someone to testify

M Doyle: would be willing to testify if needed.

Paul Schleckler, IBEW Local 275: people want to be anonymous. IC can not work as apprentices.

J Nolish: if covered by workers comp, it is not by headcount, everyone is covered.

Dir Cooley: offer when talking to folks who want to be anonymous, at some point someone has to put the hand up.

J Nolish: whistleblower protection needs legislation.

Meeting adjourned at 3:23 p.m.